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Disadvantaged
Business Utilization

As we begin our new year, it is a time to reflect on areas of success and areas for improvement for all of us. One example that we feature in this edition of our newsletter is the experience that the U.S. Department of Transportation (DOT) has had in complying with regulations to implement the Small Business Administration's (SBA) HUBZone Empowerment Contracting Program. In our lead article we highlight several of DOT's successes with this program in an effort to help our community better understand how the program works.

Occasionally we feature information on upcoming contract opportunities within DOT. In this edition we highlight the U.S. Coast Guard Information Technology Services Solutions (CGITSS) Multiple Award Contract (MAC) that the Coast Guard (USCG) plans to establish. Information on this contract is provided in one central location on the FedBizOpps (Federal Business Opportunities) web site.

Lastly, as part of the DOT SBIR Program, the Volpe National Transportation System Center (Volpe Center) is issuing a solicitation to invite small businesses, with their valuable resources and creative capabilities, to submit innovative research proposals that address high priority requirements of the U.S. Department of Transportation (DOT). The solicitation will be issued on or about February 14, 2003. We encourage qualified firms to participate.

The U.S. Department of Transportation – Implementing the HUBZone Empowerment Contracting Program

Federal acquisition policies are designed to get contract work done in a timely manner, at a reasonable cost, and in a manner that supports the social goals of the United States. These social goals are implemented through legislation that establishes numerous programs with which federal agencies, such as the U.S. Department of Transportation (DOT), are required to comply. The HUBZone Empowerment Contracting Program, enacted into law as part of the Small Business Reauthorization Act of 1997 and opened to the public in March 1999, is one of these programs. Firms certified as HUBZones by the Small Business Administration (SBA) receive preferences on federal contracts. SBA's HUBZone Program is in line with the efforts of both the Administration and Congress to promote economic development and employment growth in distressed areas by providing access to more federal contracting opportunities.



HOW THE HUBZone PROGRAM WORKS

The U.S. Small Business Administration (SBA) regulates and implements the HUBZone Empowerment Contracting Program and

- determines which businesses are eligible to receive HUBZone contracts,
- maintains a listing of qualified HUBZone small businesses that Federal agencies can use to locate vendors,
- adjudicates protests of eligibility to receive HUBZone contracts, and
- reports to the Congress on the program's impact on employment and investment in HUBZone areas.

In Fiscal Year 2001, SBA established a government-wide goal for agencies to procure 2% of their total prime contracts with HUBZone certified small businesses. In that same year, DOT achieved a 3.05% procurement rate.

In Fiscal Year 2002, SBA established a government-wide goal of 2.5% for HUBZone certified small businesses. DOT took appropriate measures to try to meet that goal. Documentation on achievements for Fiscal Year 2002 is not yet available.

In addition to competing for, and winning a contract outright – there are three ways that a HubZone business can be awarded a contract through the preference

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program:

- 1) HUBZone set-aside
- 2) HUBZone sole source
- 3) Full and open competition with activation of a HUBZone preference clause

Regulation requires a HUBZone set-aside if there are two or more eligible HUBZone firms with interest and intent to bid on a contract. A decision can be made to use a HUBZone set-aside in the following three places that correspond to different stages in the procurement process:

- 1) At the beginning of the acquisition process in the program office
- 2) At the recommendation of the contract specialist
- 3) At the recommendation of the Operating Administration's Small Business Specialist at headquarters.

Regulation also mandates a preference clause in federal contracts over \$100,000 (that are not already a HUBZone set-aside) with a 10% financial preference over large businesses. If the HUBZone firm has a bid less than 110% of the low-bidder, that HUBZone business can "bump" a large business out of the award.

Described below are some examples of success that DOT has had in implementing the regulations pertaining to the HUBZone Empowerment Contracting Program.

US COAST GUARD SUCCESSES

The Maintenance and Logistics Command Atlantic has focused on meeting the requirements of the HUBZone Empowerment program, just as they support other federally regulated programs. In Fiscal Year 2001, they achieved a 7.3% rate of procuring their total prime contracts with HUBZone certified small businesses.

In one instance, Contract Specialist Carol Anton advertised a HUBZone set-aside (Contract DTCG47-01-C-3EFK06 Replace Roof, Coast Guard Dining Facility, USCG Training Center, Yorktown, Virginia) for which seven bids were received. The contract



was awarded to GOVCON, Inc. of Norman, Oklahoma. Although there were some problems in the beginning days of the contract, GOVCON Inc., was able to complete the work early.

According to Lt. Fred Boone, Project Manager for USCG Training Center, Yorktown, GOVCON Inc. and their subcontractors were extremely easy to work with and required no additional supervision. They kept the USCG advised of any potential problems and concerns and were eager to provide suggested solutions. They were very professional in their day to day activities and were highly recommended for future contracts. They were given an outstanding performance evaluation.

GOVCON, Inc. has since performed under several contracts for the same office. They have completed a similar, but larger dollar amount project, at the same site and also received an outstanding performance evaluation. The project was completed on time.

Mr. James Waldrop, President of GOVCON, Inc. highly recommends any business which qualifies for HUBZone to pursue contracting opportunities. He experienced no problems, he is extremely happy with the relationships established, and the program is good for his business.

You can contact GOVCON by phone at 405-292-6600 or by e-mail at waldropjeeps@aol.com

In another example, the U.S. Coast Guard's Atlantic Facilities Design and Construction Center's (FDCCLANT) first HUBZone advertisement (DTCG47-00-C-3EFK18 Repair Seawall at the USCG Station, Pensacola, Florida) was assigned to Contract Specialist Ms. Cheryl Allen.

Five bids were received and the award was made to Gulf Group, Inc., Panama City, Florida. There were no contract issues to be resolved during construction and the quality of the work was excellent. The contract was completed on time. During the performance of the work, Gulf Group, Inc. was proactive in recognizing potential problems and notified the USCG promptly for a timely resolution. Gulf Group, Inc. was given an outstanding performance evaluation by the USCG FDCCLANT Project Manager.

You can contact Gulf Group, Inc. by phone at 850-785-0592

In one last example, a project was initiated in June 2001 at the U.S. Coast Guard's Atlantic Facilities Design and Construction Center for a major steam plant and distribution system renovation at the US Coast Guard Training Center in Cape May New Jersey. The Chief of the Contracting Office at Facilities Design and Construction Center Atlantic, Mr. Robert Bishop, after conducting extensive market research and consultation with the Maintenance and Logistics Command Small Business Specialist, decided that a total HUBZone Set-Aside Best Value procurement was warranted. Proposals were received and evaluated. However, after making a selection, several protests were filed with both the SBA and GAO. After hearings had been completed, the SBA ruled that one proposer was ineligible for the HUBZone program.

In spite of this initial problem, the acquisition process continued and additional market research by Contracting Officers at FDCC determined that there were still two or more eligible HUBZone firms with interest and intent to bid the project. Therefore they still went with a HUBZone set-aside. This second time, a \$5 million contract was awarded to Troop Construction and Electric Incorporated, a well qualified HUBZone firm in New Jersey. Their performance has continuously been rated as outstanding.

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DOT Small Business Innovation Research (SBIR) Program



The Volpe National Transportation System Center (Volpe Center) is issuing a solicitation pursuant to the Small Business Innovation Development Act of 1982, PL 97-219, as amended by PL 99-443 and PL 102-564 and reauthorized by PL 106-554. The solicitation will be issued on or about February 14, 2003.

The purpose of this solicitation is to invite small businesses with their valuable resources and creative capabilities to submit innovative research proposals that address high priority requirements of the U.S. Department of Transportation (DOT). Each concern submitting a proposal must qualify as a small business. The NAICS code for this solicitation is 541710 with a size standard of 500 employees. The solicitation and any documents related to this procurement will be available on the DOT SBIR Program Internet site at <http://www.volpe.dot.gov/sbir>. The solicitation will be issued through electronic means only; no hard copies will be available.

Potential Offerors desiring to receive electronic notification of the solicitation's posting and availability for downloading may register at the Volpe Center Acquisition Management Division Internet site. The URL of the Volpe Center Acquisition Management Division home page is <http://www.volpe.dot.gov/procure/index.html>. Offerors are reminded that they may register at any time to receive the solicitation.

A presolicitation notice has also been posted on the FedBiz Opps web site at <http://www.eps.gov/spg/DOT/RSPA/VNTSC/DTRS57-03-R-SBIR/>

SynopsisP.html. You can also register to receive future notifications on this web page.

You can access more information on the SBIR program in Section I-D-16 of the *DOT Marketing Information Package* available online at <http://osdbuweb.dot.gov/business/mp/miphtml.html>

Any questions on the DOT SBIR program should be directed to:

*DOT/SBIR Program Office, DTS-22
U.S. Department of Transportation
Research & Special Programs
Administration
Volpe National Transportation
Systems Center
55 Broadway,
Kendall Square
Cambridge,
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Attn.: Joseph Henebury,
DOT SBIR Program Director
Telephone: (617) 494-2712
FAX: (617) 494-2497
E-mail: henebury@volpe.dot.gov.*



U.S. Coast Guard Multiple Award Contract - CGITSS

The U.S. Coast Guard (USCG) plans to establish a Coast Guard Information Technology Services Solutions (CGITSS) Multiple Award Contract (MAC). CGITSS will provide for the full range of IT service solutions for the U.S. Coast Guard, with the potential for use by organizations performing Homeland Security functions within the same department as the Coast Guard, through four primary support services functional areas: Information Management Analysis and Planning (MAP), Information Systems Engineering (ISE) and Design, Information Systems Operations and Management (SOM), and Information Systems Security (ISS). CGITSS will provide contracting opportunities for full and open competition, as well as set-asides for small business, 8(a), and HUBZone in all functional areas. The anticipated NAICS codes are 541511, 541512, 541513, and 541519. The Small Business size standard is \$21.0M. CGITSS contracts will be awarded to vendors in all functional areas for which they are determined to provide the best value to the government taking technical capability, management approach, past performance and pricing into consideration.

Information on CGITSS is posted on the FedBizOpps (Federal Business Opportunities) web site at <http://www.eps.gov/spg/DOT/USCG/GACS/DTCG23-03-R-CGITSS/listing.html>. Future information regarding CGITSS, including a complete list of Industry Day attendees, a complete list of all questions posed at both Industry Days and CG responses thereto, and all other vendor questions/CG responses throughout the CGITSS acquisition process, will be released to the public through this website.

The U.S. Coast Guard point of contact for CGITSS is Brenda Peterson, Contracting Officer, Phone (202) 267-6906, Fax (202) 267-4019, E-mail bpeterson@comdt.uscg.mil.

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You can contact Mario Mendoza at Troop Construction and Electric, Inc. by phone at (908) 354-5585, by e-mail at mail@troopconstruction.com, or view their web site at <http://www.troopconstruction.com>

Pete Frechette, a Small Business Specialist at the U.S. Coast Guard, attributes part of the Coast Guard success in implementing the HUBZone program to the extensive market research that they conduct before making the decision whether or not to use a HUBZone set-aside. Mr. Frechette points out that it is not enough to check the ProNet database to see whether there are HUBZone firms that appear to be qualified to perform the work. You can conduct a ProNet search, find numerous HUBZone firms that appear to be qualified, and still not get any responses to a HUBZone set-aside solicitation. He frequently posts Sources Sought pre-solicitation notices in FedBizOpps to determine whether there actually are two or more eligible HUBZone firms with interest and intent to bid on a contract.

Mr. Frechette emphasizes that this market research does not take a long time, but it provides invaluable information required to make informed decisions pertaining to HUBZone program implementation. In situations where the construction season is very short, up front market research can reduce the risk of having no responses to a solicitation and possibly delaying a project until the next construction season.

FEDERAL HIGHWAY ADMINISTRATION SUCCESSES

The Federal Highway Administration (FHWA) has been recognized for their success in complying with the HUBZone Empowerment Program. Western Federal Lands Highway Division Office, Vancouver, Washington, one of three Federal Lands Division Offices within FHWA, was recently recognized at the DOT Minority Enterprise Development (MedWeek)

Awards as a leader in the utilization of the HUBZone Program within DOT and throughout the federal government.

During FY 2002 (for construction contracts only), this office awarded 19 highway/bridge construction contracts for almost \$62 million dollars. Eight (8) of their 19 contracts (\$32.7 million of \$61.7 million or 53%) were HUBZone awards with the following breakdown:

- Awarded through set-asides \$10.1 million (5 contracts)
- Awarded through preference \$21.4 million (2 contracts)
- Awarded through full and open to HubZone low-bidder \$ 1.2 million (1 contract)

The eight HUBZone awards for highway-related construction were distributed within the following States: two in Alaska, one each in Idaho, Oregon and Montana and three in Washington. The awards were made to eight different contractors. These included two each located in Alaska and Idaho, one in Oregon and three in Washington. Contractor performance, quality of work, and ease or difficulty of contract administration has essentially been no different for HUB-ZONE firms as compared to non-HUBZone firms.

Bill Parsons, a Contracting Officer in the Western Federal Lands office, attributes this success to a number of factors. The Small Business Administration (SBA) offices in the northwest area were active early in promoting the HUB-Zone program and encouraging eligible businesses to apply for HUBZone certification status. Also, there are extensive geographical areas in northwestern States that are designated HUBZone areas which provides a "fertile field" for many businesses to be eligible for HUBZone certification.

Market research, to see whether there are two or more eligible HUBZone firms with interest and intent to bid on a contract, is typically focused on the availability of firms located in the region where the work is to be performed. Frequently, FHWA research will include

a presolicitation notice issued through FedBizOpps. Interested HUBZone firms are asked to provide their HUBZone certification number, a statement of intent to bid, and information on the capabilities of their firm.

Western Federal Lands has also been supportive of the 8(a) program including 8(a) sole source and competitive contracts.

RECOMMENDATIONS FOR HUB-ZONE CERTIFIED FIRMS

Both representatives of the U.S. Coast Guard and the Federal Highway Administration emphasized that there are a number of steps that a HUBZone certified firm can take to increase their likelihood of being awarded a DOT contract. It is important to make yourself known. Market yourself to the Operation Administrations within DOT. Regulation requires a HUBZone set-aside if there are two or more eligible HUBZone firms with interest and intent to bid on a contract. Be aware of opportunities listed in the U.S. DOT Procurement Forecast and posted in FedBizOpps. When applicable, make sure that the Contracting Officer, or the Operating Administration Small Business Specialist, knows that your firm is qualified to perform the work and that you are a HUBZone certified firm. Ask them whether they have considered a HUBZone set-aside.

Be sure to keep your ProNet information current. If you are HUBZone certified, be sure your certification is highlighted in ProNet along with your NAICS codes and your bonding limit (if applicable). By default, a ProNet search only shows information on firms that have updated their information within the last 18 months, so be sure that your information is updated more frequently than that.

List all of your eligible NAICS codes in ProNet, including codes for anything closely-related to what your company does. For example, if you work in pest control, some pest control

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Martin Luther King, Jr. Day

This year the Martin Luther King, Jr. holiday will be observed on Monday, January 20, 2003. The King Center web site, located at <http://www.thekingcenter.com/holiday/info.html> provides information on holiday events as well as information on Dr. King's legacy. A biographical summary as well as information on the King Papers archival project is included.

On this holiday let us celebrate the life and legacy of a man who brought hope and healing to America. In the words of his wife, Coretta Scott King, "We commemorate as well the timeless values he taught us through his example — the values of courage, truth, justice, compassion, dignity, humility and service that so radiantly defined Dr. King's character and empowered his leadership."



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opportunities might be listed under the NAICS codes for grounds maintenance. Understand the NAICS codes that are applicable for the work your company can perform.

Be sure you have a thorough understanding of the HUBZone Program before you make critical business decisions that are dependent on the program. Talk to representatives at the Small Business Administration (SBA) and/or DOT Operating Administration Small Business Specialists to learn more about the program.

The U.S. Department of Transportation is committed to following the regulations to implement the HUBZone Empowerment Contracting Program. We look forward to working with you.



For more information on the United States Coast Guard portions of this article you can contact:

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You can learn more about the HubZone program on the SBA web site at <http://www.sba.gov/hubzone/>

You can research regulatory issues pertaining to the HubZone Empowerment Contracting program in the Code of Federal Regulations 13CFR126 at <http://www.sba.gov/library/cfrs/13cfr126.html>.

You can view the Department of Transportation Major Procurement Preference Goals & Achievements on the OSDBU web site at <http://osdbuweb.dot.gov/about/dotcont.html>

You can access ProNet at <http://pro->

Congratulations Gloria!

Congratulations to Gloria Howard on her retirement. Gloria has been a valuable member of the OSDBU staff for over 14 years. She has worked in several positions while in OSDBU, such as Staff Assistant and most recently Administrative Officer. Gloria has been a government employee for 32 years and retired on January 3rd. We wish her the best on her retirement and happiness in her future endeavours.



UPCOMING CALENDAR OF EVENTS FOR 2003

DATE	EVENT	CONTACT
Jan 12-16	Transportation Research Board (TRB) 82nd Annual Meeting Washington, DC	http://www.expocard.com/shows/trb031/regform.cfm trb031.attendee@expoexchange.com
Feb 5	DOT Tech Expo Federal Business Council Washington, DC	Bob Jeffers 800-878-2940 ext. 226
Feb 18-21	National center for American Indian Enterprise Development 16th Annual Reservation Economic Summit and American Indian Trade Show, Las Vegas, NV	Shirley Dichirico 800-462-2433 ext. 228 ncaiedbig@aol.com
March 4-5	JPL/NASA 15 th Annual High-Tech Small Business Conference Los Angeles, CA	http://acquisition.jpl.nasa.gov/boo/2003Hightechinterest.pdf 818-354-7702
April 23	13 th Annual OSDBU Procurement Conference Upper Marlboro, MD	http://www.treas.gov/sba/osdbu Bob Jeffers 800-878-2940 X226 bj1@fbcdcb.com

You can access information on local Small Business Administration (SBA) events at <http://www.sba.gov/calendar/>

<http://osdbuweb.dot.gov>

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